



IFS Capital (Thailand)
Public Company Limited

IFS 1011/2021

10th November 2021

Subject: Explanation of the Operating Results for Quarter 3/2021

To: The President
The Stock Exchange of Thailand

We, IFS Capital (Thailand) Public Company Limited, would like to submit herewith the Reviewed Financial Statements for the Quarter 3/2021 ended 30th September 2021 as certified by our auditor, Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd., and to clarify the significant variance of the operating results as follows:-

(Unit : Million Baht)

	Quarter 3 ended 30 th September				For Nine-Month Period ended 30 th September			
	2021	2020	Increase / (decrease)	% Change	2021	2020	Increase / (decrease)	% Change
Revenues								
Factoring Income	61.60	52.08	9.52	18.28	180.35	181.25	(0.91)	(0.50)
Hire Purchase Income	0.07	0.06	0.01	13.32	0.27	0.21	0.06	28.23
Finance Lease Income	2.09	3.15	(1.06)	(33.54)	7.04	10.87	(3.83)	(35.26)
Factoring Commission and Service Fee	23.36	19.59	3.77	19.25	68.77	65.58	3.19	4.87
Other Income	8.32	7.73	0.59	7.67	27.46	29.84	(2.38)	(7.97)
Total Revenues	95.45	82.62	12.83	15.53	283.88	287.75	(3.87)	(1.34)
Finance Costs	9.10	7.41	1.69	22.85	25.88	31.66	(5.78)	(18.24)
Income Before Operating Expenses	86.35	75.21	11.14	14.81	257.99	256.08	1.91	0.74
Expenses								
Selling Expenses	3.32	2.76	0.56	20.38	11.94	11.89	0.05	0.38
Administration Expenses	23.33	21.59	1.75	8.08	75.16	71.88	3.28	4.57
Management Benefit Expenses	8.92	6.68	2.24	32.60	29.00	25.57	3.43	13.40
Total Expenses	35.58	31.03	4.55	14.67	116.09	109.34	6.76	6.18
Profit Before Allowances	50.77	44.18	6.59	14.91	141.90	146.75	(4.85)	(3.30)
Expected Credit Losses (ECL)	2.24	21.78	(19.54)	(89.72)	3.59	22.16	(18.57)	(83.81)
Profit Before Income Tax Expenses	48.53	22.39	26.13	116.69	138.31	124.59	13.72	11.02
Income Tax Expense	10.71	5.44	5.27	97.01	29.23	25.34	3.89	15.35
Profit for The Periods	37.82	16.96	20.86	123.00	109.08	99.25	9.84	9.91

Quarterly to Quarterly Analysis

For the 3rd quarter of 2021, the Company reported Net Profit of Baht 37.82 million, an increase of Baht 20.86 million or 123% from the same period last year. The main reasons were as follows:

- 1) total revenues increased by Baht 12.83 million or 15.53% due to higher factoring volume,
- 2) lower ECL of Baht 19.54 million or a decrease of 89.72% due to robust credit risk management,
- 3) partly offset by higher finance cost of Baht 1.69 million or 22.85% due to higher bank borrowing as a result of higher business volume, and higher total expenses of Baht 4.55 million due to impairment of property foreclosed of around Baht 5 million.

For the year-to-date ended 30th September 2021, the Company reported a Net Profit of Baht 109.08 million, an increase of Baht 9.84 million or 9.91% from the same period last year, and Earnings Per Share (EPS) increased to Baht 0.22 per share (YTD Q3/2020: Baht 0.20 per share), an increase of 10%.

Please be informed accordingly.

Sincerely yours,

(Mr. Tan Ley Yen)
Director and CEO